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Alimentación y la Agricultura

منظمة
الغذية والزراعة
للأمم المتحدة

COMMITTEE ON COMMODITY PROBLEMS

JOINT MEETING OF THE FORTIETH SESSION OF THE INTERGOVERNMENTAL GROUP ON HARD FIBRES AND THE FORTY-SECOND SESSION OF THE INTERGOVERNMENTAL GROUP ON JUTE, KENAF AND ALLIED FIBRES

Beijing, the People's Republic of China, 22-24 October 2019

PRICE TRENDS FOR SISAL, ABACA, COIR, JUTE AND KENAF

I. INTRODUCTION

1. Delegates will provide an overview of the sisal, abaca, coir, jute and kenaf (JACKS) markets. Delegates will provide an update on current market prices for JACKS; they will also report on price forecasts. Finally, delegates will also apprise the Sub-Group of the production, consumption and trade of sisal, as well as identify current issues affecting the sub-sector.

II. SISAL FIBRE PRICES

2. Price levels for the three main grades of sisal¹ produced in East Africa and Brazil have risen considerably since 2010. The prolonged drought conditions in Brazil, coupled with the depreciation of the Real, have affected sisal prices. When expressed in US dollars, the increase in Brazilian sisal prices is moderated by the weaker Real. In January 2016, East Africa prices reached a record high of USD 2350 per tonne for 3L and USD 2195 per tonne for UG sisal. Brazilian sisal quality also improved significantly, resulting in a dynamic price competition among Brazilian exporters, reducing price levels and increasing the price differentials between Bahia Type 3 DB and East Africa 3L and UG sisal. This influenced negatively sisal from Africa, where, during the second half of 2016, prices declined by about 11 and 13 percent for 3L and UG sisal, respectively, in comparison to the first semester of 2016.

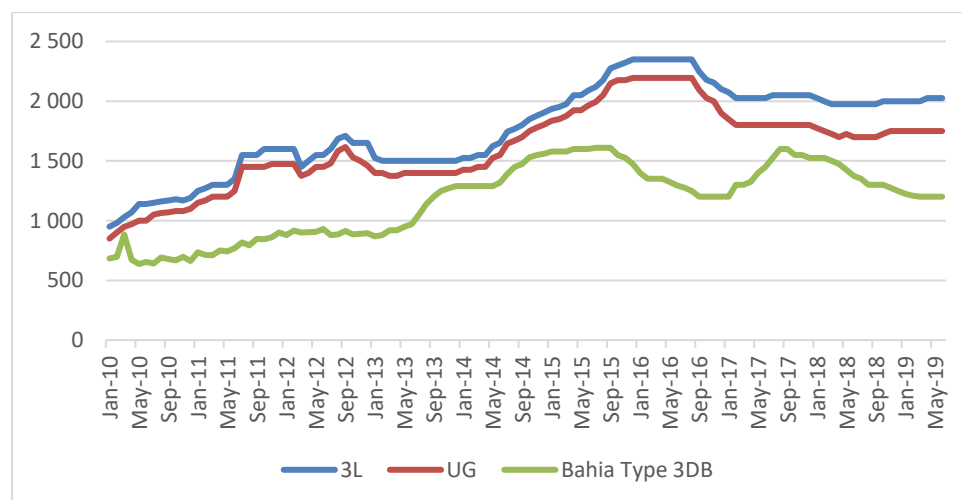
3. Prices of Bahia Type 3 DB increased by 13 percent in 2017, reaching an average of USD 1444 per tonne, compared to USD 1283 per tonne in 2016, following adverse weather conditions, which prevailed throughout 2017. However, Brazilian sisal prices declined slightly in 2018 (USD 1383 per tonne) and in the first half of 2019 (USD 1206 per tonne) due to greater availability (Figure 1).

¹ The three main grades of sisal are 3L and UG in East Africa and Bahia type 3 DB in Brazil.



4. In the first half of 2019, sisal prices in East Africa increased slightly compared to 2018, averaging USD 2013 per tonne and USD 1750 per tonne, respectively, for 3L and UG. Sisal prices for the three main grades are expected to remain stable at current levels, as no major changes are foreseen in terms of availability throughout 2019.

Figure 1 – Sisal Price: East Africa (3L and UG) and Brazil (Bahia Type 3DB) – USD/tonne



Source: FAO IGG/HFJU Secretariat

III. JUTE PRICES

5. The prices of jute declined in the 2016/17 season to an average of USD 687.5 per tonne, after reaching a record high of USD 802.5 per tonne in the 2015/16 season. They rose steadily in 2018 and 2019, attaining a new record high of USD 870 per tonne in March and April 2019. A ban imposed by Bangladesh on exports of low-quality raw jute (un-cut Bangla Tossa Rejection (BTR) and Bangla White Rejection (BWR)) to India in January 2018, contributed to the rise in prices (Figure 2).

Figure 2 – Jute Export Prices (BTD f.o.b. Bangladesh Port) – USD/tonne

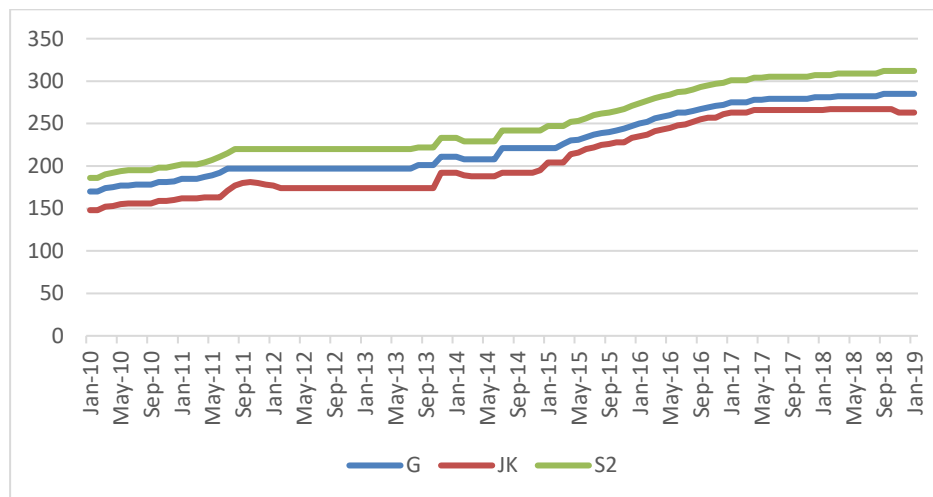


Source: FAO IGG/HFJU Secretariat

IV. ABACA PRICES

6. Abaca prices for all grades (S2, G and JK) increased sharply over the last decade due to increasing demand for abaca fibre in the international market. However, prices have been relatively stable between 2017 and 2019, registering a slight increase over the period (Figure 3).

Figure 3 – Abaca Prices – Philippines (USD/bale)

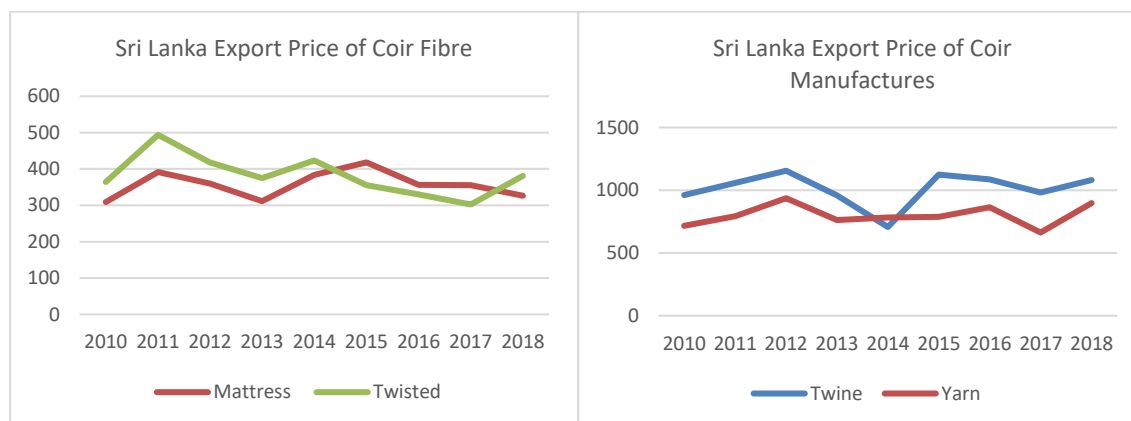


Source: FAO IGG/HFJU Secretariat

V. COIR PRICES

7. Coir prices² for fibre and products have increased in 2018, in comparison to the previous season. Prices of fibres (mattress, bristle and twisted) in 2017 declined by 5.6 percent to an average of USD 333 per tonne, while prices of yarn and twine, declined, respectively, by 23.3 percent (to USD 663 per tonne) and 9.6 percent (to USD 983 per tonne), compared to 2016. Prices of coir fibre and products recovered in 2018. In particular, the prices of bristle and twisted fibre increased due to tighter supplies from Sri Lanka, while the prices of yarn and twine, reached, respectively, USD 867 per tonne and USD 1088 per tonne, as global demand for coir products has remained strong (Figure 4).

Figure 4 – Sri Lanka Exports Prices of Coir Fibre and Manufactures (USD/tonne)



Source: FAO IGG/HFJU Secretariat

² The 2018 Coir Price data is up to August.